Form (2)

531

31-10-14

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 849 / 2014 Date 31st October 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. NIE JUN

(b) Citizenship CHINESE

(c) Address 114, DAPING WEST ROAD, FANCHENG DISTRICT, XIANGFAN CITY, HUBEI PROVINCE, CHINA.

(d) Name and Address of Principle Organization NINGBO YINZHOU DAOCHENG GARMENT COMPANY LIMITED,NO.47,WENWEI ROAD, GULIN TOWN YINZHOU DISTRICT, NINGBO CITY, ZHEJIANG PROVINCE, CHINA.

(e) Place of Incorporation PEOPLE'S REPUBLIC OF CHINA

(f) Type of Investment Business MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place (s) at which Investment is permitted PLOT NO. 131, MYAY TAING BLOCK NO 64 (SET HMU), MIN GYI MAHAR MINGAUNG STREET, SHWE PYI THAR INDUSTRIAL ZONE (3), SHWE PYI THAR TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US $ 0.360 MILLION

(i) Period for Foreign Capital brought in WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 0.360 MILLION

(k) Construction period 2 YEARS

(l) Validity of investment permit 15 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar PEACH GARDEN GARMENTS COMPANY LIMITED

Chairman

The Myanmar Investment Commission

ပုံစံ(၂)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၈၄၉ / ၂၀၁၄ ၂၀၁၄ ခုနှစ်၊ အောက်တိုဘာလ ၃၁ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. NIE JUN

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ 114, DAPING WEST ROAD, FANCHENG DISTRICT, XIANGFAN CITY,HUBEI PROVINCE, CHINA.

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ NINGBO YINZHOU DAOCHENG GARMENT COMPANY LIMITED, NO. 47, WENWEI ROAD, GULIN TOWN, YINZHOU DISTRICT, NINGBO CITY, ZHEJIANG PROVINCE, CHINA.

(င) ဖွဲ့စည်းရာအရပ် PEOPLE'S REPUBLIC OF CHINA

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၁၃၁၊ မြေတိုင်းရပ်ကွက်အမှတ် ၆၄ (စက်မှု)၊ မင်းကြီးမဟာမင်းခေါင်လမ်း၊ ရွှေပြည်သာစက်မှုဇုန်(၃)၊ ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၀.၃၆၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၂)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၀.၃၆၀ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၁၅ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် PEACH GARDEN GARMENTS COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin Township, Yangon

Our ref : DICA-3/FI-1066/2014(531)
Date : 31st October 2014

Tel: 95-1-658128
Fax: 95-1-658136

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of "Peach Garden Garments Company Limited"**

Reference: Peach Garden Garments Company Limited Letter dated (2.7.2014)

1. The Myanmar Investment Commission, at its meeting (23/2014) held on (10-10-2014) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "Peach Garden Garments Company Limited" submitted by Mr. Nie Jun (33%), Ningbo Yinzhou Daocheng Garment Co., Ltd. (33.5%), and Ningbo Yinzhou Ninglei Garment Co., Ltd (33.5%) from People's Republic of China as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15(fifteen) years commencing from the date of the issuance of MIC permit. The term of the Lease Agreement for land and buildings between Daw In Po and Peach Garden Garments Company Limited shall be 15(fifteen) years from the date of signing of this agreement by mutual agreement by both parties. At the expiry of the Lease period, Peach Garden Garments Company Limited shall transfer the leased land and buildings to the lessor within 90(ninety) days in good condition.

4. The annual rent for the land and buildings shall be Kyat 66.00 million (Kyat sixty six million only) for first year, Kyat 72.60 million (Kyat seventy two million and six hundred thousand only) for second year and Kyat 79.86 million (Kyat seventy nine million, eight hundred and sixty thousand only) for third year Kyat 87.846 million (Kyat eighty seven million, eight hundred and forty six thousand only) for fourth year and Kyat 96.6306 million (Kyat ninety six million, six hundred thirty thousand and six hundred only) for fifth year measuring 6438.55

square metres (1.591 acres). The rate of rent shall be revised in view of prevailing land and buildings lease rates after 5(five) years period to continue the lease in market rate for the next 10(ten)years.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Peach Garden Garments Company Limited shall have to sign the Lease Agreement for land and buildings with Daw In Po. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Peach Garden Garments Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Peach Garden Garments Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Peach Garden Garments Company Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Prosperity Knitwear Limited cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Peach Garden Garments Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Peach Garden Garments Company Limited has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Whenever Peach Garden Garments Company Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than

foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Peach Garden Garments Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Peach Garden Garments Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Peach Garden Garments Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Peach Garden Garments Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Peach Garden Garments Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire

extinguishers and provide training to use the fire fighting equipment and also to appoint the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the export earning (CMP charges) of Peach Garden Garment Company Limited.

23. Peach Garden Garments Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Peach Garden Garments Company Limited

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Chairman, CMP Enterprises Supervision Committee
13. Office of the Yangon Region Government
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General , Department of Human Settlement & Housing Development
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Director General, Department of Environmental Conservation

23. Director General, Fire Services Department
24. Managing Director, Myanma Foreign Trade Bank
25. Managing Director, Myanma Investment and Commercial Bank
26. Managing Director, Myanma Insurance
27. Managing Director, Myanma Electric Power Enterprise
28. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)